

# Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2016 (IFRS)

February 3, 2017  
Sojitz Corporation

## Results Highlights

◆ In the year ending March 31, 2017, the second year of Medium-term Management Plan 2017 - Challenge for Growth, the global economy maintained a stable growth trend supported by consistent growth in the U.S. economy driven by increased consumption as well as the tapering of economic slowdown in emerging countries. At the same time, there is hope for a recovery in economic conditions related to natural resources given the fact that the prices of resources, specifically crude oil and coal, are higher than they were at the beginning of the year ending March 31, 2017. Regardless, the outlook remains opaque in light of the potential impacts of slowdown in China as well as the uncertainty of the economic repercussions of government policy changes to be implemented by the United States as a result of the new president assuming office. The Company's net sales (JGAAP) for the nine-month period ended December 31, 2016, decreased year on year due to the impacts of yen appreciation that persisted throughout the nine-month period, despite the shift toward yen depreciation that occurred in the third quarter; reduced sales in the Metals & Coal Division stemming from lower transaction volumes for precious metals and ferroalloys; and a decrease in sales in the Foods & Agriculture Business Division resulted from a decline in grain transactions. Gross profit was up thanks to higher income in the Metals & Coal Division resulted from a rise in selling prices in overseas coal businesses as well as income growth in the Foods & Agriculture Business Division following the improvement of earnings in overseas fertilizer businesses. However, profit for the period (attributable to owners of the Company) declined in conjunction with a decrease in share of profit of investments accounted for using the equity method.

(Figures in parentheses are year-on-year changes)

Net sales (JGAAP) 2,749.3 billion yen ((275.1) billion yen / (9.1)% )

• Decrease in net sales in the Metals & Coal Division due to lower transaction volumes for precious metals and ferroalloys

• Decrease in net sales in the Foods & Agriculture Business Division due to lower grain transactions

Gross profit 142.1 billion yen (+8.9 billion yen / +6.7% )

• Increase in gross profit in the Metals & Coal Division resulted from a rise in selling prices in overseas coal businesses

• Increase in gross profit in the Foods & Agriculture Business Division due to improved earnings in overseas fertilizer businesses

Operating profit 34.4 billion yen (+7.2 billion yen / +26.4% )

• Increase in gross profit

Profit for the period (attributable to owners of the Company)

30.1 billion yen ((2.1) billion yen / (6.6)% )

• Increase in operating profit

• Decrease in profit for the period (attributable to owners of the Company) due to lower share of profit of investments accounted for using the equity method

◆ Earnings forecast for the fiscal year ending March 31, 2017

As of Nov. 2, 2016

Net sales (JGAAP) 3,930.0 billion yen

Operating profit 45.0 billion yen

Profit before tax 53.0 billion yen

Profit for the year 40.0 billion yen

(attributable to owners of the Company)

◆ Initial assumptions

Exchange rate (annual average: JPY/US\$) : 110

Crude oil price (annual average: US\$/bbl) : 40 (Brent)

◆ Cash dividend per common stock for the fiscal year ending March 31, 2017

Interim 4.00 yen per share

Year end 4.00 yen per share (forecast)

\*1 Net sales (JGAAP) is a measure generally used by Japanese general trading companies and represents the aggregate value of the transactions for which the Group acts as a principal or agent. It is not to be construed as equivalent to, or a substitute for, revenues under IFRS.

\*2 Core earnings = Gross profit + Selling, general and administrative expenses (before provision of allowance for doubtful accounts and write-offs) + Net interest expenses + Dividend received + Share of profit (loss) of investments accounted for using the equity method

\*3 Caution regarding forward-looking statements

This document contains forward-looking statements based on information available to the Company at the time of disclosure and certain assumptions that management believes to be reasonable. Sojitz makes no assurances as to the actual results and/or other outcomes, which may differ substantially from those expressed or implied by those forward-looking statements due to various factors including changes in economic conditions in key markets, both in and outside of Japan, and exchange rate movements. The Company will provide timely disclosure of any material changes, events, or other relevant issues.

## Consolidated Statements of Profit or Loss

|   | (Billions of Yen) |            |            |                |                   |                      |                            |
|---|-------------------|------------|------------|----------------|-------------------|----------------------|----------------------------|
|   | FY2016 9-month    |            |            | FY2015 9-month |                   | FY2016 Forecast<br>c | Percentage Achieved<br>a/c |
|   | Results<br>a      | 1H Results | 3Q Results | Results<br>b   | Difference<br>a-b |                      |                            |
| <b>Net sales (JGAAP)*1</b>  | 2,749.3           | 1,776.7    | 972.6      | 3,024.4        | (275.1)           | 3,930.0              | 70%                        |
| <b>Gross profit</b>   | 142.1             | 91.8       | 50.3       | 133.2          | 8.9               | 200.0                | 71%                        |
| Gross profit margin   | 5.17%             | 5.17%      | 5.17%      | 4.40%          | 0.77%             | 5.09%                |                            |
| Selling, general and administrative expenses                                |                   |            |            |                |                   |                      |                            |
| Personnel expenses  | (62.9)            | (41.7)     | (21.2)     | (63.3)         | 0.4               |                      |                            |
| Non-personnel expenses  | (44.8)            | (30.0)     | (14.8)     | (48.0)         | 3.2               |                      |                            |
| Depreciation  | (4.3)             | (2.8)      | (1.5)      | (4.6)          | 0.3               |                      |                            |
| Provision of allowance for doubtful accounts                                | 0.0               | (0.1)      | 0.1        | 0.2            | (0.2)             |                      |                            |
| (Total selling, general and administrative expenses)                        | (112.0)           | (74.6)     | (37.4)     | (115.7)        | 3.7               | (152.0)              |                            |
| <b>Other income/expenses</b>  | 4.8               | 0.0        | 4.8        | 1.2            | 3.6               |                      |                            |
| Gain/loss on sale and disposal of fixed assets, net                         | (2.9)             | (2.8)      | (0.1)      | (9.3)          | 6.4               |                      |                            |
| Impairment loss on fixed assets   | 1.5               | 1.3        | 0.2        | 11.9           | (10.4)            |                      |                            |
| Gain on sale of subsidiaries/associates                                     | (0.3)             | (0.4)      | 0.1        | (0.5)          | 0.2               |                      |                            |
| Loss on reorganization of subsidiaries/associates                           | 1.2               | 0.9        | 0.3        | 6.4            | (5.2)             |                      |                            |
| Other operating income/expenses   | 4.3               | (1.0)      | 5.3        | 9.7            | (5.4)             | (3.0)                |                            |
| (Total other income/expenses)   | 4.3               | (1.0)      | 5.3        | 9.7            | (5.4)             | (3.0)                |                            |
| <b>Operating profit</b>   | 34.4              | 16.2       | 18.2       | 27.2           | 7.2               | 45.0                 | 76%                        |
| <b>Financial income/costs</b>   |                   |            |            |                |                   |                      |                            |
| Interest earned   | 2.8               | 1.9        | 0.9        | 3.2            | (0.4)             |                      |                            |
| Interest expenses   | (10.8)            | (7.5)      | (3.3)      | (12.8)         | 2.0               |                      |                            |
| (Interest expenses, net)  | (8.0)             | (5.6)      | (2.4)      | (9.6)          | 1.6               |                      |                            |
| Dividends received  | 3.2               | 2.2        | 1.0        | 3.5            | (0.3)             |                      |                            |
| Other financial income/costs  | 0.0               | 0.0        | 0.0        | 0.0            | 0.0               |                      |                            |
| (Financial income/costs, net)   | (4.8)             | (3.4)      | (1.4)      | (6.1)          | 1.3               | (7.0)                |                            |
| Share of profit (loss) of investments accounted for using the equity method | 10.2              | 6.7        | 3.5        | 19.3           | (9.1)             | 15.0                 |                            |
| <b>Profit before tax</b>  | 39.8              | 19.5       | 20.3       | 40.4           | (0.6)             | 53.0                 | 75%                        |
| <b>Income tax expenses</b>  | (7.6)             | (2.7)      | (4.9)      | (6.8)          | (0.8)             | (10.0)               |                            |
| <b>Profit for the period</b>  | 32.2              | 16.8       | 15.4       | 33.6           | (1.4)             | 43.0                 | 75%                        |
| <b>(Profit attributable to)</b>   |                   |            |            |                |                   |                      |                            |
| <b>Owners of the Company</b>  | 30.1              | 15.4       | 14.7       | 32.2           | (2.1)             | 40.0                 | 75%                        |
| Non-controlling interests   | 2.1               | 1.4        | 0.7        | 1.4            | 0.7               | 3.0                  |                            |
| <b>Revenue</b>  | 1,120.9           | 734.6      | 386.3      | 1,267.6        | (146.7)           |                      |                            |
| <b>Core earnings*2</b>  | 35.5              | 20.6       | 14.9       | 30.5           | 5.0               | 56.0                 |                            |

## Comprehensive Income

|  | (Billions of Yen) |            |            |                |                   |                   |
|--|-------------------|------------|------------|----------------|-------------------|-------------------|
|  | FY2016 9-month    |            |            | FY2015 9-month |                   | Difference<br>a-b |
|  | Results<br>a      | 1H Results | 3Q Results | Results<br>b   | Difference<br>a-b |                   |
| <b>Profit for the period</b>                     | 32.2              | 16.8       | 15.4       | 33.6           | (1.4)             |                   |
| <b>Other comprehensive income</b>                | (9.2)             | (57.9)     | 48.7       | (29.1)         | 19.9              |                   |
| <b>Total comprehensive income for the period</b> | 23.0              | (41.1)     | 64.1       | 4.5            | 18.5              |                   |
| Comprehensive income attributable to:            |                   |            |            |                |                   |                   |
| <b>Owners of the Company</b>                     | 20.7              | (40.4)     | 61.1       | 5.2            | 15.5              |                   |
| Non-controlling interests                        | 2.3               | (0.7)      | 3.0        | (0.7)          | 3.0               |                   |

## Cash Flows

|   | (Billions of Yen)           |                             |                   |   |
|---|-----------------------------|-----------------------------|-------------------|---|
|   | FY2016 9-month Results<br>a | FY2015 9-month Results<br>b | Difference<br>a-b | Factors Affecting Circled Figures   |
|   | Results<br>a                | Results<br>b                |                   |   |
| <b>Cash flows from operating activities</b> | 33.3                        | 96.9                        | (63.6)            | Inflows from business transactions  |
| <b>Cash flows from investing activities</b> | (24.6)                      | (34.4)                      | 9.8               | Outflows for capital expenditures in domestic solar power generation businesses |
| <b>Free cash flows</b>                      | 8.7                         | 62.5                        | (53.8)            |   |
| <b>Cash flows from financing activities</b> | (41.9)                      | (127.3)                     | 85.4              | Outflows for repayment of borrowings  |

## Consolidated Statements of Financial Position

|   | (Billions of Yen)  |                    |                   |  |
|---|--------------------|--------------------|-------------------|--|
|   | Dec. 31, 2016<br>d | Mar. 31, 2016<br>e | Difference<br>d-e | Reasons for the Difference                         |
|   | 2016               | 2016               |                   |  |
| <b>Current assets</b>   | 1,193.0            | 1,146.4            | 46.6              |  |
| Cash and cash equivalents   | 310.8              | 344.4              | (33.6)            |  |
| Time deposits   | 7.6                | 6.7                | 0.9               |  |
| Trade and other receivables   | 557.5              | 496.2              | 61.3              | Increase in tobacco related business and chemicals |
| Inventories   | 247.7              | 237.1              | 10.6              | Increase in aircraft related business              |
| Other current assets  | 69.4               | 62.0               | 7.4               |  |
| <b>Non-current assets</b>   | 915.6              | 910.3              | 5.3               |  |
| Property, plant and equipment   | 185.0              | 187.0              | (2.0)             |  |
| Goodwill  | 54.7               | 53.1               | 1.6               |  |
| Intangible assets   | 36.9               | 38.8               | (1.9)             |  |
| Investment property   | 20.7               | 18.4               | 2.3               |  |
| Investments accounted for using the equity method and other investments | 555.9              | 551.2              | 4.7               |  |
| Other non-current assets  | 62.4               | 61.8               | 0.6               |  |
| <b>Total assets</b>   | 2,108.6            | 2,056.7            | 51.9              |  |
| <b>Current liabilities</b>  | 738.1              | 673.8              | 64.3              |  |
| Trade and other payables  | 502.7              | 439.3              | 63.4              | Increase in tobacco related business               |
| Bonds and borrowings  | 161.2              | 168.3              | (7.1)             |  |
| Other current liabilities   | 74.2               | 66.2               | 8.0               |  |
| <b>Non-current liabilities</b>  | 808.1              | 833.2              | (25.1)            |  |
| Bonds and borrowings  | 731.8              | 754.4              | (22.6)            | Decrease due to repayment of borrowings            |
| Retirement benefits liabilities   | 17.7               | 18.7               | (1.0)             |  |
| Other non-current liabilities   | 58.6               | 60.1               | (1.5)             |  |
| <b>Total liabilities</b>  | 1,546.2            | 1,507.0            | 39.2              |  |
| Share capital   | 160.3              | 160.3              | -                 |  |
| Capital surplus   | 146.5              | 146.5              | 0.0               |  |
| Treasury stock  | (0.2)              | (0.2)              | 0.0               |  |
| Other components of equity  | 122.0              | 132.4              | (10.4)            | Decrease due to change in foreign exchange rates   |
| Retained earnings   | 102.4              | 81.3               | 21.1              | Profit for the period +30.1, dividends (10.0)      |
| Total equity attributable to owners of the Company                      | 531.0              | 520.3              | 10.7              |  |
| Non-controlling interests   | 31.4               | 29.4               | 2.0               |  |
| <b>Total equity</b>   | 562.4              | 549.7              | 12.7              |  |
| <b>Total liabilities and equity</b>                                     | 2,108.6            | 2,056.7            | 51.9              |  |
| Gross interest-bearing debt   | 893.0              | 922.7              | (29.7)            |  |
| Net interest-bearing debt   | 574.6              | 571.6              | +3.0              |  |
| Net debt/equity ratio (times)*  | 1.08               | 1.10               | (0.02)            |  |
| Equity ratio*   | 25.2%              | 25.3%              | (0.1)%            |  |
| Current ratio   | 161.6%             | 170.1%             | (8.5)%            |  |
| Long-term debt ratio  | 81.9%              | 81.8%              | +0.1%             |  |

\* "Total equity attributable to owners of the Company" is recognized as "Total equity", and is also used as the denominator of the "Net debt/equity ratio" and the numerator of "Equity ratio."

## Highlights of Consolidated Financial Results for the Third Quarter Ended December 31, 2016 (IFRS) — Supplementary Material

February 3, 2017

Sojitz Corporation

(Billions of Yen)

(Billions of Yen)

### Operating Results

|   | FY2016<br>9-month | FY2015<br>9-month | Difference | FY2016<br>Forecast<br>(Nov. 2, 2016) | Percentage<br>achieved |
|---|-------------------|-------------------|------------|--------------------------------------|------------------------|
| <b>Net sales (JGAAP)*1</b>  | <b>2,749.3</b>    | <b>3,024.4</b>    | (275.1)    | <b>3,930.0</b>                       | 70%                    |
| <b>Gross profit</b>   | <b>142.1</b>      | <b>133.2</b>      | + 8.9      | <b>200.0</b>                         | 71%                    |
| Gross profit margin   | (5.17%)           | (4.40%)           | (+0.77%)   | (5.09%)                              |                        |
| Selling, general and administrative expenses                                | (112.0)           | (115.7)           | + 3.7      | (152.0)                              |                        |
| Other income/expenses   | 4.3               | 9.7               | (5.4)      | (3.0)                                |                        |
| <b>Operating profit</b>   | <b>34.4</b>       | <b>27.2</b>       | + 7.2      | <b>45.0</b>                          | 76%                    |
| Financial income/costs  | (4.8)             | (6.1)             | + 1.3      | (7.0)                                |                        |
| Share of profit (loss) of investments accounted for using the equity method | 10.2              | 19.3              | (9.1)      | 15.0                                 |                        |
| <b>Profit before tax</b>  | <b>39.8</b>       | <b>40.4</b>       | (0.6)      | <b>53.0</b>                          | 75%                    |
| <b>Profit for the period</b><br>(Profit attributable to)                    | <b>32.2</b>       | <b>33.6</b>       | (1.4)      | <b>43.0</b>                          | 75%                    |
| <b>Owners of the Company</b>  | <b>30.1</b>       | <b>32.2</b>       | (2.1)      | <b>40.0</b>                          | 75%                    |
| Non-controlling interests   | 2.1               | 1.4               | + 0.7      | 3.0                                  |                        |
| Core earnings*2   | 35.5              | 30.5              | + 5.0      | 56.0                                 | 63%                    |
| Revenue   | 1,120.9           | 1,267.6           | (146.7)    |                                      |                        |
| Comprehensive income attributable to owners of the Company                  | 20.7              | 5.2               | + 15.5     |                                      |                        |

### Segment Performance [Gross Profit]

|  | FY2016<br>9-month | FY2015<br>9-month | Difference | FY2016<br>Forecast<br>(Nov. 2, '16) |
|--|-------------------|-------------------|------------|-------------------------------------|
| <b>Auto-motive</b>                               | <b>18.0</b>       | 18.6              | (0.6)      | <b>25.0</b>                         |
| <b>Aerospace &amp; IT Business</b>               | <b>19.7</b>       | 17.5              | +2.2       | <b>31.0</b>                         |
| <b>Infrastructure &amp; Environment Business</b> | <b>13.3</b>       | 12.5              | +0.8       | <b>24.0</b>                         |
| <b>Energy</b>                                    | <b>0.7</b>        | 1.6               | (0.9)      | <b>3.0</b>                          |
| <b>Metals &amp; Coal</b>                         | <b>12.3</b>       | 8.7               | +3.6       | <b>13.0</b>                         |
| <b>Chemicals</b>                                 | <b>26.9</b>       | 29.3              | (2.4)      | <b>38.0</b>                         |
| <b>Foods &amp; Agriculture Business</b>          | <b>17.6</b>       | 14.5              | +3.1       | <b>20.0</b>                         |
| <b>Lifestyle Commodities &amp; Materials</b>     | <b>15.4</b>       | 14.1              | +1.3       | <b>21.0</b>                         |
| <b>Retail</b>                                    | <b>15.7</b>       | 13.5              | +2.2       | <b>22.0</b>                         |
| <b>Other</b>                                     | <b>2.5</b>        | 2.9               | (0.4)      | <b>3.0</b>                          |

### Segment Performance [Profit for the Period (Attributable to Owners of the Company)]

|  | FY2016<br>9-month | FY2015<br>9-month | Difference | Main Factors Behind Difference   | FY2016<br>Forecast<br>(Nov. 2, '16) | FY2016 Current Position  |
|--|-------------------|-------------------|------------|--|-------------------------------------|--|
| <b>Auto-motive</b>                               | <b>2.5</b>        | 5.1               | (2.6)      | Despite earnings contributions from dealership businesses in the Americas, decreased due to absence of one-time profit recorded in previous equivalent period                              | <b>4.0</b>                          | Strong performance anticipated in dealerships businesses in the Americas, but trends in emerging economies and foreign exchange rates warrant caution        |
| <b>Aerospace &amp; IT Business</b>               | <b>0.6</b>        | 1.5               | (0.9)      | Despite strong performance in aerospace- and IT-related businesses, decreased due to impairment losses on Company-owned ships  | <b>4.5</b>                          | Earnings contributions from aerospace- and IT-related businesses expected  |
| <b>Infrastructure &amp; Environment Business</b> | <b>2.7</b>        | (0.1)             | +2.8       | Profit recorded due to earnings contributions from domestic solar power generation businesses as well as absence of impairment losses recorded in previous equivalent period               | <b>5.5</b>                          | Earnings contributions from infrastructure-related projects expected   |
| <b>Energy</b>                                    | <b>0.0</b>        | (0.9)             | +0.9       | Despite impacts of lower oil price, loss averted through gains on sales of oil and gas interests   | <b>(2.0)</b>                        | Progress in line with forecasts  |
| <b>Metals &amp; Coal</b>                         | <b>4.6</b>        | 11.2              | (6.6)      | Despite benefits of higher coal price, decreased due to absence of gains on revaluation of coal business assets recorded in previous equivalent period following change in holding purpose | <b>6.0</b>                          | Coal prices remain above initial expectations  |
| <b>Chemicals</b>                                 | <b>5.3</b>        | 5.8               | (0.5)      | Decreased due to impacts of drop in methanol price   | <b>8.5</b>                          | Performance to be influenced by higher methanol prices and increased resin product transactions  |
| <b>Foods &amp; Agriculture Business</b>          | <b>5.3</b>        | 3.3               | +2.0       | Increased due to improved earnings in overseas fertilizer businesses resulted from lower prices for raw materials  | <b>5.0</b>                          | Profit currently exceeding forecast due to strong performance of fertilizer businesses, but sluggish performance in grain collection businesses is projected |
| <b>Lifestyle Commodities &amp; Materials</b>     | <b>3.5</b>        | 1.3               | +2.2       | Increased due to strong textile business performance and absence of impairment loss recorded during the previous equivalent period   | <b>4.5</b>                          | Progress in line with forecasts  |
| <b>Retail</b>                                    | <b>3.7</b>        | 3.0               | +0.7       | Increased due to gain on sales of real estate held for sale in Japan   | <b>4.0</b>                          | Progress in line with forecasts  |
| <b>Other</b>                                     | <b>1.9</b>        | 2.0               | (0.1)      | Relatively unchanged year on year  | <b>0.0</b>                          | Asset replacement costs to be incurred   |

|              |              |       |      |              |
|--------------|--------------|-------|------|--------------|
| <b>Total</b> | <b>142.1</b> | 133.2 | +8.9 | <b>200.0</b> |
|--------------|--------------|-------|------|--------------|

|              |             |      |       |             |
|--------------|-------------|------|-------|-------------|
| <b>Total</b> | <b>30.1</b> | 32.2 | (2.1) | <b>40.0</b> |
|--------------|-------------|------|-------|-------------|

|              |             |
|--------------|-------------|
| <b>Total</b> | <b>40.0</b> |
|--------------|-------------|

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(Billions of Yen)

### Financial Position

|   | Dec. 31, 2016  | Mar. 31, 2016  | Difference | FY2016<br>Forecast<br>(Feb. 3, 2017) |
|---|----------------|----------------|------------|--------------------------------------|
| <b>Total assets</b>                           | <b>2,108.6</b> | <b>2,056.7</b> | + 51.9     | <b>2,150.0</b>                       |
| <b>Total equity*3</b>                         | <b>531.0</b>   | <b>520.3</b>   | + 10.7     | <b>540.0</b>                         |
| <b>Equity ratio</b>                           | <b>25.2%</b>   | <b>25.3%</b>   | (0.1)%     | <b>25.1%</b>                         |
| <b>Net interest-bearing debt</b>              | <b>574.6</b>   | <b>571.6</b>   | + 3.0      | <b>620.0</b>                         |
| <b>Net D/E ratio (times)</b>                  | <b>1.08</b>    | <b>1.10</b>    | (0.02)     | <b>1.15</b>                          |
| <b>Risk assets</b>                            | <b>340.0</b>   | <b>330.0</b>   | + 10.0     | -                                    |
| <b>Ratio of risk assets to equity (times)</b> | <b>0.6</b>     | <b>0.6</b>     | 0.0        | -                                    |

### Commodity Prices and Exchange Rates

|                              | FY2015 Results<br>(Apr.- Dec. '15 Avg.) | FY2016<br>Initial Assumption<br>(Annual Avg.) | FY2016 Results<br>(Apr.- Sep. '16 Avg.) | FY2016 Results<br>(Oct.- Dec. '16 Avg.) | FY2016 Results<br>(Apr.- Dec. '16 Avg.) | Latest Data<br>(As of Jan. 31, 2017) |
|------------------------------|---|---|---|---|---|--------------------------------------|
| <b>Crude oil (Brent) **1</b> | \$53.2/bbl                              | US\$40.0/bbl                                  | US\$47.0/bbl                            | US\$51.1/bbl                            | US\$48.4/bbl                            | US\$55.7/bbl                         |
| <b>Thermal coal **2</b>      | \$63.8/t                                | \$52.0/t                                      | US\$59.4/t                              | US\$94.7/t                              | US\$71.1/t                              | US\$83.0/t                           |
| <b>Exchange rate **3</b>     | ¥121.6/US\$                             | ¥110.0/US\$                                   | ¥105.4/US\$                             | ¥111.3/US\$                             | ¥107.3/US\$                             | ¥113.8/US\$                          |

\*\*1 Impact of fluctuations in the crude oil price on earnings: A US\$1/bbl change alters profit for the year (attributable to owners of the Company) by ¥50 million annually.

\*\*2 Thermal coal prices are "globalCOAL NEWC Index".

\*\*3 Impact of fluctuations in the exchange rate on earnings: ¥1/US\$ change alters gross profit by approx. ¥0.3 billion annually, profit for the year (attributable to owners of the Company) by approx. ¥0.1 billion annually, and total equity by approx. ¥1.5 billion annually.

\*3 "Total equity attributable to owners of the Company" is recognized as "Total equity" above, and is also used in the denominator of the "Net D/E ratio" and the numerator of the "Equity ratio."